

## SIGIR INVESTIGATIONS

SIGIR fields the largest number of fraud investigators in Iraq. This quarter, SIGIR continued to work closely with the Major Procurement Fraud Unit (MPFU) of the U.S. Army Criminal Investigation Command (CID). Also, SIGIR welcomed the arrival of two criminal investigators from the DoD OIG Defense Criminal Investigative Service (DCIS) to Iraq. SIGIR has extended its investigative arm into Kuwait, joining two investigators from DCIS and four from Army CID MPFU.

Currently, SIGIR investigators are working on 78 cases. Thus far, their work has resulted in 5 arrests and 4 convictions, and another 23 cases await prosecution at the Department of Justice (DoJ).

During this quarter, SIGIR and five other agencies established the International Contract Corruption Task Force (ICCTF):

- MPFU, U.S. Army CID
- DoS OIG Criminal Investigations Directorate
- USAID OIG
- DCIS
- Federal Bureau of Investigation (FBI)

The task force identified 36 cases; SIGIR contributed 9 cases to this effort. SIGIR is still working on 37 cases for presentation to the task force. This quarter, SIGIR investigations opened 27 cases and closed 43 of the preliminary and open cases. There are currently 78 open investigations.

SIGIR is also a member of several subcommittees of the DoJ National Procurement Fraud Task Force, most notably the Interna-

tional Working Committee (IWC). The IWC serves as a valuable link between federal law enforcement agencies and DoJ, as well as a vehicle to discuss issues concerning additional funding for corruption/fraud investigations, prosecutorial venue, extra-territorial jurisdiction, liaison with DoS and foreign governments, and coordination with legal attachés, agencies with deployed investigators, and auditors.

SIGIR continues to work with MPFU on suspensions and debarments of individuals and companies. SIGIR investigators also work closely with the DoJ Commercial Litigation Section, Civil Division, pursuing civil remedies against individuals and companies, and in many cases proceeding with side criminal investigations.

### SIGIR-issued Subpoenas

This quarter, SIGIR investigators have issued four Inspector General (IG) Subpoenas. The legal authority for issuing these subpoenas is the Inspector General Act of 1978, as amended. The act empowers IGs to conduct and supervise audits and investigations relating to agency programs and operations.

### International Contract Corruption Task Force/ Joint Operations Center

On October 2, 2006, a Joint Operations Center (JOC) was established at SIGIR headquarters in Arlington, Virginia, to gather intelligence and disseminate information on corruption and fraud investigations. On November 20,

2006, the ICCTF was created as a force multiplier for all federal agencies engaged in investigating complex matters in combat and austere international environments.

The ICCTF-JOC will coordinate the process of gathering intelligence, and sharing intelligence and appropriate case information. It will also provide analytical and target linkage data response reporting for use by all partner agencies. When fully functioning, the JOC will allow case agents in the United States to work together with special agents and prosecutors outside the United States, reducing travel time and expense, eliminating case overlap, and providing valuable analytical case support. The ICCTF will also find prosecutorial jurisdiction to determine suitable venue.

Initially designed for the smooth transition of investigations when SIGIR was to have terminated, the ICCTF-JOC will now continue SIGIR's efforts, ensuring transparency with other law enforcement agencies through coordination and partnerships on all SIGIR cases—an unprecedented sharing within the federal law enforcement community.

To accomplish its mission more efficiently and cost-effectively, SIGIR leverages the resources of other law enforcement agencies and the 20 SIGIR Investigations personnel in Kuwait and Iraq. This quarter, the startup of this initiative generated momentum and set up a steady flow of federal law enforcement action during the next several quarters.

As part of the ICCTF-JOC, the FBI has assigned eight significant SIGIR criminal investigations to FBI field offices throughout

the country. In addition, as part of a unique federal law enforcement agreement, the FBI will run investigative leads for SIGIR at the preliminary stages of investigations even before acceptance by the task force. The use of resources with FBI field offices throughout the country and legal attachés around the world will add immeasurable value to criminal investigations originating in Iraq and Kuwait. SIGIR has also received a further personal commitment from FBI senior leadership regarding continued support for SIGIR and ICCTF.

## Suspensions and Debarments

Since December 2005, SIGIR has worked closely with DoJ, CID, DCIS, and the Army Legal Service Agency's Procurement Fraud Branch to suspend and debar contractors in cases of fraud or corruption within the Army, including those involving Iraq reconstruction or Army support contracts in Iraq. These cases arise both from criminal indictments filed in federal district courts and allegations of contractor irresponsibility requiring fact-based examination by the Army's Suspension and Debarment Official.

In June 2003, DoD designated the Army as the Executive Agent for contracting support to the CPA; therefore, the Army's Suspension and Debarment Program is at the forefront of ensuring the integrity of contractors performing these contracts. The goal of this program is to ensure that these contracts are awarded to, and performed by, contractors who are honest, ethical, and have the ability to successfully perform this important work. The Procurement

Fraud Branch has also taken a leading role within the Army and at joint contracting organizations to provide training to contracting officers assigned to oversee Iraq reconstruction and support contracts to aid in the prevention and early detection of contractor fraud.

To date, the Procurement Fraud Branch has suspended 14 individuals and companies based on allegations of fraud and misconduct connected to Iraqi reconstruction and Army support contracts. Included in this list are five individuals involved in the Bloom/Stein conspiracy<sup>492</sup> and Mr. Faheem Salam.<sup>493</sup> In addition, 12 other individuals and companies have been proposed to the Army Suspension and Debarment Official for debarment, resulting in 8 debarments. For more information on suspensions and debarments, see Appendix M.